



U.S. Department of Justice

United States Attorney
Eastern District of New York

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CHAMBERS OF
I. LEO GLASSER
U. S. D. J.

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195 Montague Street
Brooklyn, New York 11201

Mailing Address: 147 Pierrepont Street
Brooklyn, New York 11201

July 27, 1999

TO BE FILED UNDER SEAL

The Honorable I. Leo Glasser
United States District Judge
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. Gennady Klotsman
Criminal Docket No. 98-1069 (ILG)

Dear Judge Glasser:

This letter is submitted to request a modification of the above-referenced defendant's bail conditions. The defendant was originally detained after his September 1998 arrest. In November 1998, after his guilty plea, the government consented to his release pursuant to a \$1.5 million personal recognizance bond, secured by various co-signers and properties, along with electronic monitoring by Pre-trial Services. Since that time, the defendant has, with few exceptions, abided by the restrictions of electronic monitoring and has effectively cooperated with the government's investigation.

Against this background, the defendant has sought the government's consent to be taken off electronic monitoring, particularly insofar as he wishes to pursue legitimate employment to help support himself and his family. Recently, the defendant advised the government that he had been offered a job with NeighborhoodGuide.Com, a local online service offering guides to businesses, activities and events in New York City neighborhoods. The defendant's job would involve soliciting advertisers, such as restaurants and other businesses, for the online service. In our understanding, the job would involve periods in the office when the defendant telephones potential advertisers, and periods outside the office when making sales calls. After reviewing the matter with the defendant, the government has no objection to the defendant's accepting the current job offer.

Given the nature of the work, the defendant's schedule would change frequently and be difficult to predict. Mr. Andrew Prozeller, the Pre-trial Services Officer overseeing the defendant's electronic monitoring, advised me that continued electronic monitoring is not practical if the defendant is allowed to accept the present job offer.

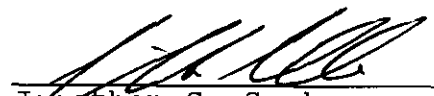
Under these circumstances, the government hereby requests that the defendant's bail be modified so as to lift the requirement of electronic monitoring and require, in its place, once per week reporting in person to the Pre-trial Services office. The defendant's geographical restriction would be the Eastern and Southern Districts of New York, and New Jersey to the extent necessary to visit with his children. In all other respects, the defendant's bail would be unchanged. We believe that this modification is justified insofar as the defendant continues to cooperate with the government, and is thereby in frequent contact with the FBI case agent, and reasonably seeks to take on lawful employment to support himself and others. The defendant of course joins in the proposed modification of bail.

If the Court requires additional information before ruling on the requested modification, we will of course seek to provide it. Due to the nature of this letter and security concerns set forth in prior proceedings, the government requests that this letter be submitted under seal.

Respectfully submitted,

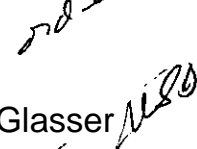
LORETTA E. LYNCH
UNITED STATES ATTORNEY

By:


Jonathan S. Sack
Assistant U.S. Attorney
(718) 254-6238

cc: Ivan Fisher, Esq.
575 Madison Avenue
10th Floor
New York, New York 10022

Mr. Andrew Prozeller
Pre-trial Services

*Modification of bail
granted as requested
so ordered*
s/l. Leo Glasser 

not by parties